

FIRST REGULAR SESSION

HOUSE BILL NO. 334

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES DAVIS, SEIGFREID, BERKOWITZ, CRUMP, HAMPTON,
RELFORD, FROELKER (Co-sponsors), MYERS, SELBY, McKENNA, ABEL AND BRITT.

Read 1st time January 11, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

0804L.011

AN ACT

To repeal sections 163.011 and 163.031, RSMo 2000, relating to state aid for public schools, and to enact in lieu thereof two new sections relating to the same subject.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 163.011 and 163.031, RSMo 2000, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 163.011 and 163.031, to read as follows:
163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted gross income":

3 (a) "District adjusted gross income per return" shall be the total Missouri individual
4 adjusted gross income in a school district divided by the total number of Missouri income tax
5 returns filed from the school district as reported by the state department of revenue for the second
6 preceding year;

7 (b) "State adjusted gross income per return" shall be the total Missouri individual
8 adjusted gross income divided by the total number of Missouri individual income tax returns,
9 of those returns designating school districts, as reported by the state department of revenue for
10 the second preceding year;

11 (c) "District income factor" shall be one plus thirty percent of the difference of the
12 district income ratio minus one, except that the district income factor applied to the portion of
13 the assessed valuation corresponding to any increase in assessed valuation above the assessed
14 valuation of a district as of December 31, 1994, shall not exceed a value of one;

15 (d) "District income ratio" shall be the ratio of the district adjusted gross income per
16 return divided by the state adjusted gross income per return;

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 (2) "Adjusted operating levy", the sum of tax rates for the current year for teachers' and
18 incidental funds for a school district as reported to the proper officer of each county pursuant to
19 section 164.011, RSMo;

20 (3) "Average daily attendance" means the quotient or the sum of the quotients obtained
21 by dividing the total number of hours attended in a term by resident pupils between the ages of
22 five and twenty-one by the actual number of hours school was in session in that term. To the
23 average daily attendance of the following school term shall be added the full-time equivalent
24 average daily attendance of summer school students. "Full-time equivalent average daily
25 attendance of summer school students" shall be computed by dividing the total number of hours
26 attended by all summer school pupils by the number of hours required in section 160.011,
27 RSMo, in the school term. For purposes of determining average daily attendance under this
28 subdivision, the term "resident pupil" shall include all children between the ages of five and
29 twenty-one who are residents of the school district and who are attending kindergarten through
30 grade twelve in such district. If a child is attending school in a district other than the district of
31 residence and the child's parent is teaching in the school district or is a regular employee of the
32 school district which the child is attending, then such child shall be considered a resident pupil
33 of the school district which the child is attending for such period of time when the district of
34 residence is not otherwise liable for tuition. Average daily attendance for students below the age
35 of five years for which a school district may receive state aid based on such attendance shall be
36 computed as regular school term attendance unless otherwise provided by law;

37 (4) "Current operating costs", all expenditures for instruction and support services
38 excluding capital outlay and debt service expenditures less the revenue from federal categorical
39 sources, food service, student activities and payments from other districts;

40 (5) "District's target rate", the district's average percentage of pupils from fiscal years
41 2000 to 2005 scoring at or above the proficiency level on the statewide assessment system on
42 either mathematics or reading/communication arts plus one percentage point for each year after
43 fiscal year 2005 except that the district's target rate shall not exceed the statewide average
44 percentage from fiscal year 2000 to fiscal year 2005 scoring at or above the proficiency level on
45 the statewide assessment system on either mathematics or reading/communication arts;

46 (6) "District's tax rate ceiling", the highest tax rate ceiling in effect subsequent to the
47 1980 tax year or any subsequent year. Such tax rate ceiling shall not contain any tax levy for
48 debt service;

49 (7) "Eligible pupils" shall be the sum of the average daily attendance of the school term
50 plus the product of two times the average daily attendance for summer school;

51 (8) "Equalized assessed valuation of the property of a school district" shall be determined
52 by multiplying the assessed valuation of the real property subclasses specified in section 137.115,

53 RSMo, times the percent of true value as adjusted by the department of elementary and
54 secondary education to an equivalent sales ratio of thirty-three and one-third percent and dividing
55 by either the percent of true value as determined by the state tax commission on or before March
56 fifteenth preceding the fiscal year in which the valuation will be effective as adjusted by the
57 department of elementary and secondary education to an equivalent sales ratio of thirty-three and
58 one-third percent or the average percent of true value for the highest three of the last four years
59 as determined and certified by the state tax commission, whichever is greater. To the equalized
60 locally assessed valuation of each district shall be added the assessed valuation of tangible
61 personal property. The assessed valuation of property which has previously been excluded from
62 the tax rolls, which is being contested as not being taxable and which increases the total assessed
63 valuation of the school district by fifty percent or more, shall not be included in the calculation
64 of equalized assessed valuation under this subdivision;

65 (9) "Fiscal instructional ratio of efficiency", the quotient of the sum of the district's
66 current operating costs for all kindergarten through grade twelve direct instructional and direct
67 pupil support service functions plus the costs of improvement of instruction and the cost of
68 purchased services and supplies for operation of the facilities housing those programs, excluding
69 student activities, divided by the sum of the district's current operating cost for kindergarten
70 through grade twelve, plus all tuition revenue received from other districts minus all noncapital
71 transportation costs;

72 (10) "Free and reduced lunch eligible pupil count", the number of pupils eligible for free
73 and reduced lunch on the last Wednesday in January for the preceding school year who were
74 enrolled as students of the district, as approved by the department in accordance with applicable
75 federal regulations;

76 (11) "Guaranteed tax base" means the amount of equalized assessed valuation per
77 eligible pupil guaranteed each school district by the state in the computation of state aid. To
78 compute the guaranteed tax base, school districts shall be ranked annually from lowest to highest
79 according to the amount of equalized assessed valuation per pupil. The guaranteed tax base shall
80 be based upon the amount of equalized assessed valuation per pupil of the school district in
81 which the ninety-fifth percentile of the state aggregate number of pupils falls during the third
82 preceding year and shall be equal to the state average equalized assessed valuation per eligible
83 pupil for the third preceding year times two and one hundred and sixty-seven thousandths; except
84 that, for the purposes of line 14(b) the guaranteed tax base shall be no greater than the guaranteed
85 tax base used for the 1998-99 payment year. The average equalized assessed valuation per pupil
86 shall be the quotient of the total equalized assessed valuation of the state divided by the number
87 of eligible pupils;

88 (12) "Membership" shall be the average of (1) the number of resident full-time students

89 and the full-time equivalent number of part-time students who were enrolled in the public
90 schools of the district on the last Wednesday in September of the previous year and who were
91 in attendance one day or more during the preceding ten school days and (2) the number of
92 resident full-time students and the full-time equivalent number of part-time students who were
93 enrolled in the public schools of the district on the last Wednesday in January of the previous
94 year and who were in attendance one day or more during the preceding ten school days, plus the
95 full-time equivalent number of summer school pupils. "Full-time equivalent number of part-time
96 students" is determined by dividing the total number of hours for which all part-time students
97 are enrolled by the number of hours in the school term. "Full-time equivalent number of summer
98 school pupils" is determined by dividing the total number of hours for which all summer school
99 pupils were enrolled by the number of hours required pursuant to section 160.011, RSMo, in the
100 school term. Only students eligible to be counted for average daily attendance shall be counted
101 for membership;

102 (13) "Operating levy for school purposes" for districts making transfers pursuant to
103 subsection 4 of section 165.011, RSMo, based upon amounts multiplied by the guaranteed tax
104 base, or making payments or expenditures related to obligations made pursuant to section
105 177.088, RSMo, or any combination of such transfers, payments or expenditures, means the sum
106 of tax rates levied for teachers' and incidental funds plus the operating levy or sales tax
107 equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the
108 school district, in the payment year, and, for other districts, means the sum of tax rates levied for
109 incidental, teachers', debt service and capital projects funds plus the operating levy or sales tax
110 equivalent pursuant to section 162.1100, RSMo, of any transitional school district containing the
111 school district, with no more than eighteen cents of the sum levied in the debt service and capital
112 projects funds. Any portion of the operating levy for school purposes levied in the debt service
113 and capital projects funds in excess of a sum of ten cents must be authorized by a vote of the
114 people, after August 28, 1998, approving an increase in the operating levy, or a full waiver of the
115 rollback pursuant to section 164.013, RSMo, with a tax rate ceiling in excess of the minimum
116 tax rate or an issuance of general obligation bond. The operating levy shall be, after all
117 adjustments and equalization of the operating levy, no greater than a maximum value of four
118 dollars and ninety-five cents per one hundred dollars assessed valuation, except that the operating
119 levy shall be no greater than a maximum value of four dollars and seventy cents per one hundred
120 dollars assessed valuation for the purposes of line 2 of subsection 6 of section 163.031. To
121 equalize the operating levy, multiply the aggregate tax rates for teachers' and incidental funds by
122 either the percent of true value, as determined by the state tax commission on or before March
123 fifteenth preceding the fiscal year in which the evaluation will be effective as adjusted by the
124 department of elementary and secondary education to an equivalent sales ratio of thirty-three and

one-third percent, or the average percent of true value for the highest three of the last four years as determined and certified by the state tax commission, whichever is greater, and divide by the percent of true value as adjusted by the department of elementary and secondary education to an equivalent sales ratio of thirty-three and one-third percent, provided that for any district for which the equivalent sales ratio is equal to or greater than thirty-three and one-third percent, the equalized operating levy shall be the adjusted operating levy. For any county in which the equivalent sales ratio is less than thirty-one and two-thirds percent, the state tax commission shall conduct a second study in that county and shall use a sample consisting of the parcels used as a sample in the original study combined with an equal number of newly selected parcels. If the new ratio is higher than the original ratio provided by this subdivision, the new ratio shall be used for the purposes of this subdivision and for determining equalized assessed valuation pursuant to subdivision (8) of this section. For the purposes of calculating state aid pursuant to section 163.031, for any district which has not enacted a voluntary tax rate rollback nor increased the amount of a voluntary tax rate rollback from the previous year's amount, the tax rate used to determine a district's entitlement shall be adjusted so that any decrease in the entitlement due to a decrease in the tax rate resulting from the reassessment shall equal the decrease in the deduction for the assessed valuation of the district as a result of the change in the tax rate due to reassessment. The tax rate adjustments required under this subdivision due to reassessment shall be cumulative and shall be applied each year to determine the tax rate used to calculate the entitlement; [except that whenever the actual current operating levy equals or exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the district's entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated and shall not be applied in determining the tax rate used to calculate the district entitlement, except that whenever the actual current operating levy is increased by school board action prior to January 1, 2000, or by district voter approval at any time, to a level which equals or exceeds the tax rate calculated pursuant to this subdivision for the purpose of determining the districts entitlement, then the prior tax rate adjustments required under this subdivision due to reassessment shall be eliminated after five years and shall not thereafter be applied in determining the tax rate used to calculate the district entitlement;]

(14) "School purposes" pertains to teachers' and incidental funds;

(15) "Teacher" means any teacher, teacher-secretary, substitute teacher, supervisor, principal, supervising principal, superintendent or assistant superintendent, school nurse, social worker, counselor or librarian who shall, regularly, teach or be employed for no higher than grade twelve more than one-half time in the public schools and who is certified under the laws governing the certification of teachers in Missouri.

163.031. 1. School districts which meet the requirements of section 163.021 shall be

2 entitled to an amount computed as follows: an amount determined by multiplying the number
3 of eligible pupils by the lesser of the district's equalized operating levy for school purposes as
4 defined in section 163.011 or two dollars and seventy-five cents per one hundred dollars assessed
5 valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor plus
6 an amount determined by multiplying the number of eligible pupils by the greater of zero or the
7 district's equalized operating levy for school purposes as defined in section 163.011 minus two
8 dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the
9 guaranteed tax base per eligible pupil times the proration factor. For the purposes of this section,
10 the proration factor shall be equal to the sum of the total appropriation for distribution under
11 subsections 1 and 2 of this section; and the state total of the deductions as calculated in
12 subsection 2 of this section which do not exceed the district entitlements as adjusted by the same
13 proration factor; divided by the amount of the state total of district entitlements before proration
14 as calculated pursuant to this subsection; provided that, if the proration factor so calculated is
15 greater than one, the proration factor for line 1(b) shall be the greater of one or the proration
16 factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated
17 is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor
18 for line 1(b) plus five hundredths.

19 2. From the district entitlement for each district there shall be deducted the following
20 amounts: an amount determined by multiplying the district equalized assessed valuation by the
21 district's equalized operating levy for school purposes times the district income factor plus ninety
22 percent of any payment received the current year of protested taxes due in prior years no earlier
23 than the 1997 tax year minus the amount of any protested taxes due in the current year and for
24 which notice of protest was received during the current year; one hundred percent of the amount
25 received the previous year for school purposes from intangible taxes, fines, forfeitures and
26 escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax,
27 except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as
28 defined by the department of natural resources rule shall not be included; one hundred percent
29 of the amounts received the previous year for school purposes from federal properties pursuant
30 to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school
31 purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the
32 maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty
33 percent, or the percentage otherwise provided in section 163.087 of Proposition C revenues
34 received the previous year for school purposes from the school district trust fund pursuant to
35 section 163.087; one hundred percent of the amount received the previous year for school
36 purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent
37 of the amount received the previous year for school purposes from the free textbook fund,

38 pursuant to section 148.360, RSMo.

39 3. School districts which meet the requirements of section 163.021 shall receive
40 categorical add-on revenue as provided in this subsection. There shall be individual proration
41 factors for each categorical entitlement provided for in this subsection, and each proration factor
42 shall be determined by annual appropriations, but no categorical proration factor shall exceed the
43 entitlement proration factor established pursuant to subsection 1 of this section, except that the
44 vocational education entitlement proration factor established pursuant to line 16 of subsection
45 6 of this section and the educational and screening program entitlements proration factor
46 established pursuant to line 17 of subsection 6 of this section may exceed the entitlement
47 proration factor established pursuant to subsection 1 of this section. The categorical add-on for
48 the district shall be the sum of: seventy-five percent of the costs of adopting and providing a
49 violence prevention program pursuant to section 161.650, RSMo, multiplied by the proration
50 factor; seventy-five percent of the district allowable transportation costs pursuant to section
51 163.161 multiplied by the proration factor; the special education approved or allowed cost
52 entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration
53 factor; seventy-five percent of the district gifted education approved or allowable cost
54 entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor;
55 the free and reduced lunch eligible pupil count for the district, as defined in section 163.011,
56 multiplied by twenty percent, for a district with an operating levy in excess of two dollars and
57 seventy-five cents per one hundred dollars assessed valuation, or twenty-two percent, otherwise
58 times the guaranteed tax base per eligible pupil times two dollars and seventy-five cents per one
59 hundred dollars assessed valuation times the proration factor plus the free and reduced lunch
60 eligible pupil count for the district, as defined in section 163.011, times thirty percent times the
61 guaranteed tax base per eligible pupil times the following quantity: ((the greater of zero or the
62 district's operating levy for school purposes minus two dollars and seventy-five cents per one
63 hundred dollars assessed valuation) times one or, beginning in the fifth year following the
64 effective date of this section, the quotient of the district's fiscal instructional ratio of efficiency
65 for the prior year divided by the fiscal year 1998 statewide average fiscal instructional ratio of
66 efficiency, if the district's prior year fiscal instructional ratio of efficiency is at least five percent
67 below the fiscal year 1998 statewide average) times the proration factor, minus court-ordered
68 state desegregation aid received by the district for operating purposes **provided that an increase**
69 **in the payment amount of line 14(a) shall be made by the department of elementary and**
70 **secondary education, if needed, to ensure that a district receives no less total revenue from**
71 **lines 14(a) and 14(b) than the district would receive if it levied an operating levy no greater**
72 **than two dollars and seventy-five cents per one hundred dollars assessed valuation; the**
73 career ladder entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo,

74 multiplied by the proration factor; the vocational education entitlement for the district, as
75 provided for in section 167.332, RSMo, multiplied by the proration factor and the district
76 educational and screening program entitlements as provided for in sections 178.691 to 178.699,
77 RSMo, times the proration factor.

78 4. Each district's apportionment shall be the prorated categorical add-ons plus the greater
79 of the district's prorated entitlement minus the total deductions for the district or zero.

80 5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section
81 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy
82 for school purposes to the extent necessary for the district to at least maintain the current
83 operating expenditures per pupil received by the district from all sources in the 1992-93 school
84 year, except that its operating levy for school purposes shall not exceed the highest tax rate in
85 effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section
86 163.021, whichever is less.

87 (2) The revenue per eligible pupil received by a district from the following sources: line
88 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of
89 this section, shall not be less than the revenue per eligible pupil received by a district in the
90 1992-93 school year from the foundation formula entitlement payment amount plus the amount
91 of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school
92 year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the
93 foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil
94 times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line
95 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district
96 in the 1992-93 school year from the foundation formula entitlement payment amount, whichever
97 is greater. The department of elementary and secondary education shall make an addition in the
98 payment amount of line 19 of subsection 6 of this section to assure compliance with the
99 provisions contained in this section.

100 (3) For any school district which meets the eligibility criteria for state aid as established
101 in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for
102 two successive school years, other than categorical add-ons, by August first following the second
103 such school year, the commissioner of education shall present a plan to the superintendent of the
104 school district for the waiver of rules and the duration of said waivers, in order to promote
105 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
106 of instructional services. The provisions of other law to the contrary notwithstanding, the plan
107 presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil
108 testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law
109 to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements

otherwise imposed on the school district related to the authority of the state board of education to classify school districts pursuant to section 161.092, RSMo, and such other rules as determined by the commissioner of education, except that such waivers shall not include the provisions established pursuant to sections 160.514 and 160.518, RSMo.

(4) In the 1993-94 school year and each school year thereafter for two years, those districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section. For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total amount of state aid received by the district from all sources for the 1992-93 school year for which the district is entitled and which are distributed in the 1995-96 school year pursuant to subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the authority of a school district to raise its district operating levy pursuant to subdivision (1) of this subsection.

(5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of this subsection is less than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools trust fund to the state school moneys fund to the extent necessary to fund the district entitlements as modified by subdivision (4) of this subsection for that school year with a district entitlement proration factor no less than one and such transfer shall be given priority over all other uses for the outstanding schools trust fund as otherwise provided by law.

6. State aid shall be determined as follows:

146	District Entitlement	
147	1(a). Number of eligible pupils x (lesser of district's equalized operating levy	
148	for school purposes or two dollars and seventy-five cents per one hundred	
149	dollars assessed valuation) x (proration x GTB per EP)	\$
150	1(b). Number of eligible pupils x (greater of: 0, or district's equalized operating levy	
151	for school purposes minus two dollars and seventy-five cents per one hundred dollars	
152	assessed valuation) x (proration x GTB per EP)	\$
153	Deductions	
154	2. District equalized assessed valuation x district income factor x district's equalized	
155	operating levy for school purposes plus ninety percent of any payment received the	
156	current year of protested taxes due in prior years no earlier than the 1997 tax year	
157	minus the amount of any protested taxes due in the current year and for which notice	
158	of protest was received during the current year	\$
159	3. Intangible taxes, fines, forfeitures, escheats, payments in lieu of taxes, etc.	
160	(100% of the amount received the previous year for school purposes)	\$
161	4. Receipts from state assessed railroad and utility tax (100% of the amount	
162	received the previous year for school purposes)	\$
163	5. Receipts from federal properties pursuant to sections 12.070 and 12.080, RSMo	
164	(100% of the amount received the previous year for school purposes)	\$
165	6. (Federal impact aid received the previous year for school purposes pursuant to	
166	P.L. 81-874 less \$50,000) x 90% or the maximum percentage allowed by federal	
167	regulations if less than 90%	\$
168	7. Fifty percent or the percentage otherwise provided in section 163.087 of	
169	Proposition C receipts from the school district trust fund received the previous year	
170	for school purposes pursuant to section 163.087	\$
171	8. One hundred percent of the amount received the previous year for school purposes	
172	from the fair share fund pursuant to section 149.015, RSMo	\$
173	9. One hundred percent of the amount received the previous year for school purposes	
174	from the free textbook fund pursuant to section 148.360, RSMo	\$
175	10. Total deductions (sum of lines 2-9)	\$
176	Categorical Add-ons	
177	11. The amount distributed pursuant to section 163.161 x proration	\$
178	12. Special education approved or allowed cost entitlement for the district pursuant	
179	to section 162.975, RSMo, x proration	\$
180	13. Seventy-five percent of the gifted education approved or allowable cost	
181	entitlement as determined pursuant to section 162.975, RSMo, x proration	\$

182 14(a). Free and reduced lunch eligible pupil count for the district, as defined in
 183 section 163.011, x .20, if operating levy in excess of \$2.75, or .22, otherwise x GTB
 184 per EP x \$2.75 per \$100 AV x proration \$.
 185 14(b). Free and reduced lunch eligible pupil count for the district, as defined in
 186 section 163.011 x .30 x GTB x ((the greater of zero or the district's adjusted operating
 187 levy minus \$2.75 per \$100 AV) x (1.0 or, beginning in the fifth year following the
 188 effective date of this section, the district's FIRE for the prior year/statewide average
 189 FIRE for FY 1998, if the district's prior year FIRE is at least five percent below the
 190 FY 1998 statewide average FIRE) x proration) - court-ordered state desegregation
 191 aid received by the district for operating purposes \$.
 192 15. Career ladder entitlement for the district as provided for in sections 168.500
 193 to 168.515, RSMo, x proration \$.
 194 16. Vocational education entitlements for the district as provided in section
 195 167.332, RSMo, x proration \$.
 196 17. Educational and screening program entitlements for the district as provided
 197 in sections 178.691 to 178.699, RSMo, x proration \$.
 198 18. Sum of categorical add-ons for the district (sum of lines 11-17) \$.
 199 19. District apportionment (line 18 plus the greater of line 1 minus line
 200 10 or zero) \$.
 201 7. Revenue received for school purposes by each school district pursuant to this section
 202 shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax
 203 rate in the district for that fund to the total tax rate in the district for the two funds.
 204 8. In addition to the penalty for line 14 described in subsection 6 of this section,
 205 beginning in school year 2004-05, any increase in a school district's funds received pursuant to
 206 line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one
 207 percent for each full percentage point the percentage of the district's pupils scoring at or above
 208 five percent below the statewide average level on either mathematics or reading is less than
 209 sixty-five percent.
 210 9. If a school district's annual audit discloses that students were inappropriately identified
 211 as eligible for free or reduced-price lunch and the district does not resolve the audit finding, the
 212 department of elementary and secondary education shall require that the amount of line 14 aid
 213 paid on the inappropriately identified pupils be repaid by the district in the next school year and
 214 shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils,
 215 which penalty shall also be paid within the next school year. Such amounts may be repaid by
 216 the district through the withholding of the amount of state aid.